

Bill C-377, An Act to Amend the Income Tax Act (requirements for labour organizations)

Issue

We live in an era of unprecedented financial transparency, in which government and public institutions have made great strides in making themselves more open and accountable. However, most union members are in the dark when it comes to how union executives spend the billions of dollars in dues, which workers are compelled to contribute, each year.

Currently, neither the federal government nor the provinces require unions to disclose financial information. Given the significant tax benefits that unions enjoy, and the compulsory nature of dues that they collect, it's time to end this special treatment and improve the transparency and accountability of unions in Canada.

About Bill C-377

Bill C-377, *An Act to Amend the Income Tax Act (requirements for labour organizations)*, is a Private Members Bill, sponsored by MP Russ Hiebert (South Surrey—White Rock—Cloverdale), which was introduced in the House of Commons on December 5, 2011.

The purpose of the bill is to amend the *Income Tax Act* to require labour unions to make public their finances, including assets, liabilities, expenses, and salaries of officials. The proposed changes in Bill C-377 go a long way toward restoring the rights of workers to know and control how their dues are spent.

The bill is moving quickly through the legislative process and the Second Reading vote is scheduled to be held on March 14, 2012. It is critical that this bill passes in order to raise the level of transparency and accountability of Canada's labour unions.

Why support Bill C-377?

- Unionized workers are compelled to pay union dues even if they're not union members as a condition of employment. These dues are often used to fund activities unrelated to collective bargaining.
- Unions provide less financial information than other recipients of federal tax benefits, including charities and Aboriginal communities.
- Transparency empowers workers to make more informed decisions about their preference for representation.
- According to an August 2011 Nanos poll, 83% of Canadians favour greater transparency for labour unions and their leadership. 86% of unionized workers share this view.

Merit Canada

Merit Canada was established in 2008 as a united national voice for eight provincial Open-Shop construction associations. Its 3,500 member companies directly employ over 60,000 Canadians and its member organizations administer the largest multi-employer benefit program in Canada's construction industry.

Merit Canada supports and promotes: the right of employers to operate within a free-enterprise system of commerce; wages and working conditions being determined directly between employers and employees or through collective bargaining processes; a business climate where construction contracts are awarded on the basis of corporate merit; recruiting and compensating employees on the basis of skills, efficient deployment of human resources and individual merit; and, sound national legislation and policies affecting construction industry human resources.

For further information, please contact Terrance Oakey, President, Merit Canada, by telephone at 613-601-2350 or by email at terrance.oakey@meritcanada.ca.